

Rise?

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ESTABLISHED 1887

Underworld in Moscow: Gangsters Kill in Streets And Twist the Economy

By Celestine Bohlen New York Times Service MOSCOW — At 2 o'clock on the afternoon of July 19, seven men with machine guns burst into an automobile showroom on Leningrad Prospekt and opened fire.



SWEEP FOR CHINA — Yunxia Qu (137) on her way to the finish line and the gold medal in the women's 3,000-meter race at the World Athletics Championships in Stuttgart, ahead of Linli Zhang (144), who was second, and Lirong Zhang, in third place. Page 15.

AT&T to Pay \$12.6 Billion To Acquire Cellular Firm

Offer for McCaw Joins Telephone Giant With Leader in Growth Area By Lawrence Malkin International Herald Tribune NEW YORK — In a \$12.6 billion deal emphasizing the speed and extent of the world telecommunications revolution, America's largest telephone company announced Monday that it was taking over McCaw Cellular Communications Inc., the nation's biggest and most aggressive wireless network.

U.S. Judge Upholds Sheikh's Deportation

Compiled by Our Staff From Dispatches WHITE PLAINS, New York — A judge Monday upheld a deportation order against an Egyptian cleric, Sheikh Omar Abdel Rahman, turning down his request for political asylum in the United States.

Tentative Sarajevo Accord

Compiled by Our Staff From Dispatches GENEVA — Leaders of Bosnia's warring factions agreed in principle Monday that Sarajevo should be placed under temporary United Nations administration and demilitarized after a final political settlement is reached to end their 16-month war, a UN spokesman said.

2 in Opposition Disqualified in Singapore Race

Compiled by Our Staff From Dispatches SINGAPORE — A government commission on Monday disqualified the only opposition figures who had applied to run in Singapore's first direct election for president.



TAIPEI TROUBLES — A dissident shouting protests against Taiwan's president, Lee Teng-hui, during a rightist demonstration Monday outside the 14th national congress of the Kuomintang, Taiwan's ruling party. A companion waved off the security police.

India's Dying Livelihood Machines Threaten Launderer Caste

By Edward A. Gargan New York Times Service NEW DELHI — When Mark Twain stumbled into India late last century, he looked around a bit and concluded, in his memoir, "Following the Equator," that Indians were people who break rocks with their clothes.

Antebellum Bonds — Worth a Gamble?

By Erik Ipsen International Herald Tribune LONDON — After more than a century and a half of pleading, petitioning, suing and waiting, the latest generation of bondholders involved in what appears to be the world's longest-running sovereign debt crisis may be on the brink of victory.

who over the decades have tried and failed to wrest what they have insisted is their due from the coffers of Mississippi. Their goal is payment on some of the \$7 million of bonds issued by the Mississippi Planters' Bank and the Mississippi Union Bank in the 1830s and sold largely to investors in the United Kingdom, then the world's reigning power.

Kiosk section containing market data: Dollar Drops as Hopes for Rate Rise Evaporate, General News, Business/Finance, and a table with Dow Jones, Tib Index, and The Dollar.



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STATESIDE / A BIPARTISAN APPEAL

POLITICAL NOTES

Clinton Team Out of Gas on Greenhouse Plan

WASHINGTON — The Clinton administration will miss its mid-August deadline for proposing a plan to reduce greenhouse gases by the turn of the century.

The President, After All, Likes Vacationing

VAIL, Colorado — For someone who did not seem eager to go on vacation, President Bill Clinton quickly got into the swing.

U.S. to Give Poor Children Free Vaccine

By Robert Pear
WASHINGTON — Over strenuous objections from some drug companies, the federal government is establishing a new program guaranteeing free vaccine for millions of children who are poor or uninsured.

Away From Politics

The biggest illegal U.S. sports betting ring has been cracked with the indictment of 26 people in California and the Dominican Republic, U.S. authorities said.

Embattled Clinton Asks Governors' Aid on Health Care

By Ruth Marcus and William Claiborne
WASHINGTON — President Bill Clinton came here Monday to begin selling his health care program but instead found himself defending it against charges that it would crush small businesses, as well as lamenting the state of life in Washington.

Insurance Overhaul Appears Negotiable

By Adam Clymer
WASHINGTON — As President Bill Clinton and his Democratic allies prepare for the health care debate, the major test of his campaign promises, they will find Republicans in Congress far less focused in their opposition than they were on the budget.

U.S. Congressman Sees Demjanjuk in His Cell

TEL AVIV — A member of the U.S. Congress and relatives of John Demjanjuk, who was convicted here as a Nazi death-camp worker and then acquitted on appeal, visited him in his prison cell Monday.

him develop a health care program "without the kind of rhetoric and air-filling bull that we hear so often in the nation's capital."

President Bill Clinton and his daughter, Chelsea, riding on Grouse Mountain, while vacationing near Beaver Creek, Colorado.

Pope's U.S. Trip: Pastoral, Not Political

By Peter Steinfels
DENVER — It is the task of Popes to talk about religion, and for that very reason their religious messages are often considered newsworthy only when they can be distilled into immediate, specific political or moral directives.

and dry air endured by the endless rows of worshippers at a long service. But their effect was also to highlight the note of religious appeal rather than social criticism on the final day of his visit.

On October 18th, the IHT will publish an Advertising Section on HOME ENTERTAINMENT. Among the topics to be covered are: Multimedia systems — combining video, audio, data, photos, and animation.

EDUCATION DIRECTORY INTERNATIONAL SCHILLER INTERNATIONAL UNIVERSITY. Locations: Florida, London, Strasbourg, Paris, Heidelberg, Berlin, Madrid, Leipzig, Engleberg.

HOTEL MANAGEMENT INTERNATIONAL INSTITUTE MAXIM'S PARIS HOTEL MANAGEMENT DIPLOMA MASTER HOTEL MANAGEMENT part time full time Housing arrangements Internships Job placement counseling

OPINION

Herald INTERNATIONAL Tribune

California's Nativist Turn

America's cultural and political trends traditionally premiere in California. For that reason the growing enthusiasm of California politicians from both parties for making immigration a scapegoat for their state's many social and economic ills is alarming and dangerous.

Debating U.S. Health Care

A great deal depends on the context in which the fast-approaching U.S. national health care debate is conducted. Will the frame of reference be federal or national? The instinct will be to discuss the issue largely in federal terms.

The Discovery at Tel Dan

It is not one of those cases where a second opinion will change anybody's mind. Still, the recent discovery by archaeologists in Israel of the first non-Biblical reference to King David — in an Aramaic inscription on a slab dug up in northern Israel near Syria — is another satisfying step in one of the more exciting and romantic of the Western intellectual progressions.

Other Comment

Export Such Goods With Care With the Cold War a fading memory and with lucrative federal contracts for national security-related products shrinking, pressures are growing on the Clinton administration to ease export controls on such high-tech products as rockets and computers.

Now Let Us Write the Painful Bosnian Postmortem

LONDON — Bosnia is dead, for all practical purposes. It is time for the postmortem to begin. The dying country's final spasms may or may not include some NATO bombs on Serb gun sites, but even if that does happen the trumphy of the bombs will merely be the coda that marks the end of the whole thing.

Will Republicans Shed The Old World Vision?

WASHINGTON — The rumble of heavy artillery has shaken the political battlefield for months as Republican leaders and President Bill Clinton traded fire on taxes and spending. But on foreign policy the GOP takes only isolated sniper shots at a young Democratic president groping for America's new role in a changed world.



compromising support for President Boris Yeltsin of Russia has met with no coordinated Republican dismay. "We can't figure out where the Republicans are on what were core issues to them in national security."

Strong Mexican Progress Bodes Well for North American Trade

MEXICO CITY — As a Mexican businessman, it strikes me that much American discussion of the North American Free Trade Agreement focuses less on the agreement and more on economic, social and political disparities between Mexico and the United States.

Halt the New Rain of Bombs in Sudan

ZURICH — The government of Sudan is again on the military offensive. Since July 26, Sudanese Air Force Antonovs have been indiscriminately attacking civilian targets in the region of Kaya near the Ethiopian border.

economy is growing at a healthy 4 percent, but it can only create one new job for every five entrants into the work force. Mexico realizes that decentralization and openness are the path to higher living standards.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Charcot Is Dead PARIS — Dr. Jean-Martin Charcot, the eminent Paris specialist in cases of hypnosis, died yesterday [Aug. 16]. The deceased had a world-wide fame as an authority on all diseases or peculiar conditions of the nervous system.

International Herald Tribune KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen RICHARD McCLEAN, Publisher & Chief Executive JOHN VINOUCUR, Executive Editor & Vice President



OPINION

### A First Lady and a Counsel's Trap

By William Safire

WASHINGTON — In the weeks before Vincent Foster's death, he was working on increasing ethical concerns about one of Hillary Clinton's assets by putting the Clintons' financial holdings into a blind trust.

The guilt-ridden deputy counsel may have mismanaged a potential conflict of interest in Value Partners, an investment group in which Mrs. Clinton held nearly 1 percent, her estimated share is \$100,000. The partnership was about 14 percent invested in health care stocks at last year's end; it had "short" positions in such companies as Health Pro, Cryomax, and Sciences and Bioplasty, betting their prices would drop. The partnership manager, William Smith, tells me he spoke to Mr. Foster "three or four times" this year.

Mrs. Clinton's public pronouncements about health and her hints at the need for particular price controls had a direct and predictable effect on stocks in that field. Counsel Foster assured her she had no conflict-of-interest problems because she was not a government employee.

Then came the lawsuit demanding she open health reform meetings to the public. The Federal Advisory Commission Act says that such meetings can be closed if attended only by "full-time officers and employees" of government. White House Counsel won the case by claiming Mrs. Clinton was indeed a federal official for purposes of that Act. But appellate Judge Laurence Silberman put a pregnant footnote in his June 22 opinion: "We do not need to consider whether Mrs. Clinton's presence on the Task Force violates any conflict-of-interest statutes."

double, Mr. Nussbaum. "It is the view of the White House counsel, consistent with the views of prior administrations, that the first lady, like the president, is not covered by the conflict of interest statutes and regulations."

That's the Foster-Nussbaum doctrine, not the law. The noncoverage of this most governmentally energetic first lady was not sanctioned by Congress, not approved by the courts, not even reviewed by Justice.

Justice's much-ignored Office of Legal Counsel—led by such luminaries as Counselor-at-Law by the White House, William Rehnquist and Antonin Scalia, was again bypassed by Justice. Hillary law partner Webster Hubbell, even took over the poor guy's office space. Mr. Nussbaum says that President Reagan's Office of Legal Counsel "opined that the first lady was not subject to these laws"—as if Nancy Reagan ever claimed to be a government official for any purpose.

The blind trust finalized three days after Mr. Foster's death does not clean up a half-year's dealings of an asset that a lawyer sensitive to the appearance of conflict should have ordered divested on Inauguration Day.

What must have added to Mr. Foster's mental burdens? Not the money made by Mrs. Clinton's 10 percent piece of health stocks; that's chicken feed. It was the trap set for her by her own counsel. She must seek to join the president and vice president as the only full-time government officials exempt from the conflict-of-interest law.

Section 203 specifically exempts the president and the vice president from the conflict-of-interest law. Adds the

### In 'Superstition Park,' You Might See Yourself

By Robert L. Park

WASHINGTON — Some scientists remain so troubled by how their profession was depicted in "Jurassic Park" that they have proposed a public relations campaign to counter the film's "anti-science" message.

They've fingered the wrong flick. The threat to science, if any, comes from films like "Dracula," in which religious icons ward off evil. A little science, even implausible science, is a welcome relief from the superstitious twaddle Hollywood gives us.

One in four Americans consults a horoscope before reading the headlines and a third believe they have been in touch with a dead relative. Polls in Britain and Germany have found that a substantial majority believe in good-luck charms and fortune tellers. In the former Soviet Union, the state suppressed such things. But now, the people are squandering their freedom of thought on the same preposterous nonsense that afflicts the West. Astrologers, psychics, palm readers and faith healers seem to have popped up on every street corner in Moscow.

On college campuses in America, students are surrendering their free



will to religious cults. The Branch Davidians in Waco, Texas, were not semiliterate rustics. Most were college-educated and some had advanced degrees. There was a Harvard-trained lawyer, a computer consultant, an accountant.

But not just cult followers respect the idea of a rational, understandable universe. At a time when telescopes peer to the very edge of the universe and grant accelerators prepare to recreate the conditions at the beginning of time, most people find the old myths of creation unsatisfying. The New Age movement, with its blend of anti-rational mysticism and symbols borrowed from science, embraces psychokinesis, telepathy, channeling, pyramid power, UFOs and other modern superstitious beliefs.

How are we to account for such widespread nuttiness? Is it indelibly coded into our DNA? Maybe.

Without getting into questions of technical feasibility, imagine using preserved DNA to clone one of our Stone Age ancestors instead of tyrannosaurs. The Cro-Magnons lived in the Pleistocene era some 30,000 years before the dawn of civilization. Would a Cro-Magnon clone be a savage brute seem to have popped up on every street corner in Moscow?

On college campuses in America, students are surrendering their free

### LETTERS TO THE EDITOR

#### Russia and Estonia

Regarding "Head a Russian Cry of Despair in Estonia" (Opinion, Aug. 14) by Andrei V. Kozirev:

Mr. Kozirev exhorts us to heed the "cry of despair" of the residents of Narva, whom he sees as victims of Estonian nationalist radicals encouraged by the Council of Europe's indifference to local human rights "to pursue policies reminiscent of ethnic cleansing."

He writes: "Today, this town symbolizes one of the most serious challenges to European stability." And further: "This is why the events in Narva should become a touchstone of the ability of Europe to effectively prevent and extinguish conflicts." Quite so.

But has Mr. Kozirev forgotten another touchstone? Bosnia, neither Europe, nor Russia, heeded the "cry of despair." Indeed, the latter leads the counterinterventionist pack. The title of William Pfaff's opinion column on the same page sums it up: "Sarajevo: Great Powers Play Out the Tragedy Again." Impervious to the lessons of history, they will now all face the cost of appeasement, indecision and compromise.

SADR LUDENSKI, Belgrade

The editorial errs on the role of the UN Food and Agriculture Organization in world fisheries. Far from encouraging the overfishing that has caused depletion of certain stocks, the FAO has warned against it for decades. Through its exclusive economic zones program, it has successfully persuaded many developing nations to limit fishing to sustainable levels.

For years, the FAO has issued "early warnings" on the need to reduce fishing by predicting environmental change, as with El Niño and its effects on the Peruvian anchovy fisheries as far back as the early 1970s.

One of the FAO's main concerns in fisheries has been the protection of artisanal fishing and small fishing communities. In 1986 it launched a yearlong global campaign for the benefit of small-scale fishermen and their communities. The FAO has been operating a large number of technical assistance programs focusing on just that sector.

The FAO also played a key role last year in the organization of International Conference on Responsible Fishing and has been entrusted with the task of drafting a code of conduct for responsible fishing. The code will also include an international agreement to promote compliance with conservation and management measures by vessels fishing the high seas and to deter the use of flags of convenience as a means to undermine such measures.

RICHARD LYDDER, Director, Information Division, UN Food and Agriculture Organization, Rome.

#### A Sobering Message

In response to "Germany Sets Treblinka Chief Free After 34 Years" (Aug. 2):

I find it particularly outrageous that Kurt Franz, the brutal commandant of the Treblinka death camp, was freed by the German authorities. At his trial in 1965 (a bit late considering that the war ended in 1945), he was convicted of actively participating in the murder of 300,000 Jews.

Furthermore, he was known for his particular viciousness in encouraging his dog to attack prisoners, and in many cases used the command "Man, grab the dog!" The verdict stated, so as to avoid any misunderstanding, that "man" referred to his dog, and "dog" referred to the prisoners.

With his role as one of the most sadistic murderers in the history of the world established, how could the German government let him go free? What message does this send to the butchers in Bosnia and what does this say about the German government's credibility to criticize the events in Bosnia?

Additionally, what does it say to the right-wing thugs in Germany? The message that it sends is, unfortunately, terribly sobering: German justice is arbitrary, and the German government's attitude toward coming to grips with the German death machine of the 1940s is superficial.

ERIC S. GOLDSTEIN, Oxford, England.

#### The FAO and Fisheries

Regarding "Plundering the Seas" (Opinion, Aug. 3):



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# NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld PE 52 High Low Last Close Div. Yld PE 52 High Low Last Close

12 Month High	Low	Stock	Div.	Yld	PE	52 High	Low	Last	Close	Div.	Yld	PE	52 High	Low	Last	Close
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00

12 Month High	Low	Stock	Div.	Yld	PE	52 High	Low	Last	Close	Div.	Yld	PE	52 High	Low	Last	Close
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00

12 Month High	Low	Stock	Div.	Yld	PE	52 High	Low	Last	Close	Div.	Yld	PE	52 High	Low	Last	Close
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00

12 Month High	Low	Stock	Div.	Yld	PE	52 High	Low	Last	Close	Div.	Yld	PE	52 High	Low	Last	Close
100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00

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100.00	95.00	IBM	2.00	4.2	10	100.00	95.00	100.00	100.00	2.00	4.2	10	100.00	95.00	100.00	100.00

TRIB INDEX

INTERNAL STOCK

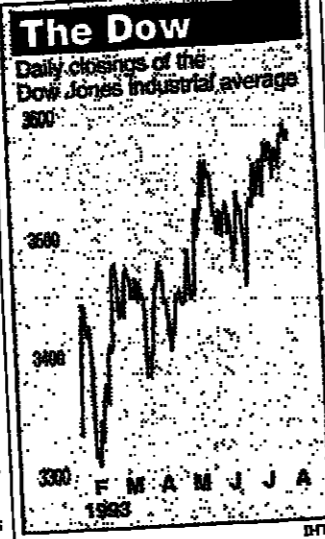




MARKET DIARY

Big Phone Buyout Lifts Share Prices

NEW YORK — Stock prices moved higher Monday on the New York Stock Exchange after news of a multibillion-dollar takeover sparked buying of communications issues.



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Table listing NYSE Diary with columns for Volume, High, Low, Last, and Change.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Dow Jones Averages

Table for Dow Jones Averages with columns for Index, High, Low, Close, and Change.

Standard & Poor's Indexes

Table for Standard & Poor's Indexes with columns for Index, High, Low, Close, and Change.

NYSE Indexes

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NASDAQ Indexes

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AMEX Stock Index

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Dow Jones Bond Averages

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Market Sales

Table for Market Sales with columns for Index, High, Low, Close, and Change.

N.Y.S.E. Odd-Lot Trading

Table for N.Y.S.E. Odd-Lot Trading with columns for Index, High, Low, Close, and Change.

S&P 100 Index Options

Table for S&P 100 Index Options with columns for Index, High, Low, Close, and Change.

EUROPEAN FUTURES

Food

Table for Food futures with columns for Commodity, High, Low, Last, and Change.

Metals

Table for Metals futures with columns for Commodity, High, Low, Last, and Change.

Financial

Table for Financial futures with columns for Commodity, High, Low, Last, and Change.

LONG GILT (LIFFE)

Table for LONG GILT (LIFFE) with columns for Commodity, High, Low, Last, and Change.

GERMAN GOVERNMENT BOND

Table for GERMAN GOVERNMENT BOND with columns for Commodity, High, Low, Last, and Change.

Industrials

GASOIL (IPE)

Table for GASOIL (IPE) with columns for Commodity, High, Low, Last, and Change.

BRENT CRUDE OIL (IPE)

Table for BRENT CRUDE OIL (IPE) with columns for Commodity, High, Low, Last, and Change.

FTSE 100 (LIFFE)

Table for FTSE 100 (LIFFE) with columns for Commodity, High, Low, Last, and Change.

Dividends

Table for Dividends with columns for Company, Dividend, and Date.

Factory Output Edged Up in July

WASHINGTON (Combined Dispatches) — Increased manufacturing of consumer goods helped boost output at U.S. factories, mines and utilities by a moderate 0.4 percent in July after a two-month slump, the government said Monday.

Buffett to Raise Salomon Stake

NEW YORK (Bloomberg) — Warren Buffett, Salomon Inc.'s biggest shareholder, said Monday he planned to make his stake even bigger.

Textron to Offer Unit to Public

PROVIDENCE, Rhode Island (Combined Dispatches) — Textron Inc. said Monday it planned to offer 7.5 million shares of its insurance subsidiary, Paul Revere Corp., to the public.

Reynolds Announces Cutbacks

RICHMOND, Virginia (Bloomberg) — Reynolds Metals Co. said Monday that it would cut aluminum production 9 percent by late October and slash 350 jobs at two U.S. plants in an attempt to counter the problems of global overcapacity and depressed prices.

Transco Energy to Settle Suit

HOUSTON (Bloomberg) — Transco Energy Co. said Monday that it had agreed to resolve a year-long legal battle with Corpus Christi Gas Gathering Inc. that could result in a \$50 million pretax charge to Transco.

Weekend Box Office

LOS ANGELES — "The Fugitive," starring Harrison Ford, earned about 10 million in its second weekend as its debut, following are the Top 10 moneymakers, based on Friday U.S. ticket sales and estimated sales for Saturday and Sunday.

DOLLAR: Low Rates a Detriment

Continued from Page 9 Thursday meeting of top Japanese economic advisers, organized with the goal of stimulating the nation's economy, may lower interest rates.

Foreign Exchange

question of urging a higher yen to stem Japan's trade surplus, Mr. Flanagan said.

Amex Diary

Table listing Amex Diary with columns for Volume, High, Low, Last, and Change.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Globex Struck by Discord

CHICAGO — The chairman of the Chicago Board of Trade has accused Chicago Mercantile Exchange Chairman Jack Sandner of undermining efforts to expand the exchanges' Globex trading system.

Patrick Arbor, chairman of the Board of Trade, had said "virtually fractured" engaged in "a gross distortion of the facts" that had "traded."

U.S. FUTURES

Grains

Table for Grains futures with columns for Commodity, High, Low, Last, and Change.

SOYBEAN OIL (CBOT)

Table for SOYBEAN OIL (CBOT) with columns for Commodity, High, Low, Last, and Change.

WHEAT (CBOT)

Table for WHEAT (CBOT) with columns for Commodity, High, Low, Last, and Change.

SOYBEAN (CBOT)

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SOYBEAN OIL (CBOT)

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Livestock

Table for Livestock futures with columns for Commodity, High, Low, Last, and Change.

Zurich

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Toronto

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Sao Paulo

Table for Sao Paulo futures with columns for Commodity, High, Low, Last, and Change.

Metals

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SILVER (COMEX)

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PLATINUM (NYMEX)

Table for PLATINUM (NYMEX) with columns for Commodity, High, Low, Last, and Change.

COINTEGRATED CADLUM (NYMEX)

Table for COINTEGRATED CADLUM (NYMEX) with columns for Commodity, High, Low, Last, and Change.

HEATING OIL (NYMEX)

Table for HEATING OIL (NYMEX) with columns for Commodity, High, Low, Last, and Change.

UNLEADED GASOLINE (NYMEX)

Table for UNLEADED GASOLINE (NYMEX) with columns for Commodity, High, Low, Last, and Change.

LIQUID SWEET CRUDE (NYMEX)

Table for LIQUID SWEET CRUDE (NYMEX) with columns for Commodity, High, Low, Last, and Change.

Financial

Table for Financial futures with columns for Commodity, High, Low, Last, and Change.

U.S. T-BILLS (MM)

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U.S. TREASURY (COT)

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U.S. GOVERNMENT BOND (COT)

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U.S. TREASURY (COT)

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U.S. TREASURY (COT)

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Stock Indexes

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SP COMP. INDEX (NYSE)

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DOW JONES (NYSE)

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NASDAQ (NYSE)

Table for NASDAQ (NYSE) with columns for Index, High, Low, Last, and Change.

AMEX (NYSE)

Table for AMEX (NYSE) with columns for Index, High, Low, Last, and Change.

NYSE (NYSE)

Table for NYSE (NYSE) with columns for Index, High, Low, Last, and Change.

COMMODITY INDEXES

Table for COMMODITY INDEXES with columns for Index, High, Low, Last, and Change.

WORLD STOCK MARKETS

Amsterdam

Table for Amsterdam stock markets with columns for Index, High, Low, Last, and Change.

Hong Kong

Table for Hong Kong stock markets with columns for Index, High, Low, Last, and Change.

Johannesburg

Table for Johannesburg stock markets with columns for Index, High, Low, Last, and Change.

Frankfurt

Table for Frankfurt stock markets with columns for Index, High, Low, Last, and Change.

London

Table for London stock markets with columns for Index, High, Low, Last, and Change.

Montreal

Table for Montreal stock markets with columns for Index, High, Low, Last, and Change.

Stock Indexes

Table for Stock Indexes with columns for Index, High, Low, Last, and Change.

Singapore

Table for Singapore stock markets with columns for Index, High, Low, Last, and Change.

Stockholm

Table for Stockholm stock markets with columns for Index, High, Low, Last, and Change.

Sydney

Table for Sydney stock markets with columns for Index, High, Low, Last, and Change.

Toronto

Table for Toronto stock markets with columns for Index, High, Low, Last, and Change.

Zurich

Table for Zurich stock markets with columns for Index, High, Low, Last, and Change.

Toronto

Table for Toronto stock markets with columns for Index, High, Low, Last, and Change.

Sao Paulo

Table for Sao Paulo stock markets with columns for Index, High, Low, Last, and Change.

TO OUR READERS IN BERLIN

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De Larosiere Closes In on EBRD Post.

ROME — Giuliano Amato, former prime minister of Italy, has withdrawn his candidacy for president of the European Bank for Reconstruction and Development, the Italian Treasury announced Monday, leaving Jacques de Larosiere of France the likely winner of the post.

GE Buys Swedish Loan Firm

STOCKHOLM — General Electric Co. of the United States is buying the Finax finance subsidiary of WASA Forsakrings AB for \$125 million in cash and \$262.5 million of assumed debt, the companies announced Monday.

Assets of Ferruzzi Worth Less Than Thought, Court Told

ROME — Assets seized by Montedison SPA's new management team from previous management members are not worth 500 billion lire (\$310 million), a court hearing established on Monday, the Italian news agency ANSA reported.

Euro Disney Denies Plans to Close

PARIS — Struggling with sagging revenues and growing losses, Euro Disney denied Monday that it was considering shutting down altogether but said temporary closure off-season was not ruled out.

Media Moves at Philips

AMSTERDAM — Philips Media, a newly created unit of Philips Electronics N.V., said Monday it had taken the first steps to reorganize the company's global software and distribution operations to create an electronic-media business that would compete with the giants of electronic publishing.

Investor's Europe. Table with columns for Exchange, Index, Monday Close, Tuesday Close, Change. Rows include Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris DAC 40, Stockholm Affarsvarlden, Vienna Stock Index, Zurich SBS.

Very briefly: • RTZ Corp., the British mining company, said it was in talks to sell its building and electrical-products division to MB-Caradon PLC. • The EC said it would investigate the competitive implications of a merger of the potash and salt production unit of West Germany's BASF AG with Mitteldeutsche Kali, an East German company in the same business.

GERMANY: Share Prices Advance Despite the Recessionary Gloom

Continued from Page 9 German auto sector that will make money this year. There will be more volatility, but the DAX could hit 1,950 by year's end. Analysts said the rally had been supported by the trend toward lower interest rates, the dollar's gains against most European currencies in recent months, and expectations

DEAL: AT&T Agrees to Pay \$12.6 Billion to Take Over McCaw Cellular, U.S. Leader in Wireless Technology

Continued from Page 1 Bell telephone system, was more specific. "Telecommunications is growing and converging with other industries so fast that it was almost impossible in our discussions to define and divide future opportunities between the two companies." AT&T is strong in network communications and computerized switching, which can react to and transfer large amounts of information from data banks or switch an individual call from one

Dutch Exchange Seat Is Lost

AMSTERDAM — A Dutch brokerage firm, Nussse Brink Comissionairs BV, lost its membership on the Amsterdam Stock Exchange Monday because it was unable to pay for borrowed shares when obliged to do so, the exchange said. Nussse Brink was suspended two weeks ago after a rally on the Dutch stock exchange made it impossible for the company to buy the stock it had sold short, or sold

NASDAQ Monday's Prices. Large table listing various stocks with columns for High, Low, Last, Chg, Div, Yld, PE, etc. Includes section for NYSE.

# Stocks Set Record in Hong Kong

Compiled by Our Staff From Dispatches

**HONG KONG** — The Hang Seng Index closed at a record high Monday as retail and institutional investors snatched up blue-chip shares in late trading.

The index jumped 97.34 points, or 1.32 percent, to close at 7,489.49, its highest for the day, in moderate trading aided by selective buying from overseas investors.

Its previous closing high was 7,447.24, set May 27.

European investors turned positive about Hong Kong again, partly due to the confidence in Vice Premier Zhu Rongji's ability to put China's economy back on the right track, said Larry Tam, executive director at Sun Hung Kai Securities.

Brokers said the market was unaffected by Monday's talks between Britain and China on Hong Kong's political future. The first day of the ninth round of talks ended in Beijing with no announcement of any progress. Another meeting was set for Tuesday.

Some investors may have been cheered by the unexpected passing Sunday of China's deadline for the recall of unauthorized loans by the country's state banks.

"There hasn't been any bad news from China on banking or the financial system, which may have come as a relief to some people," a Hong Kong broker said.

Alex Tang of Dao Heng Securities said some interest also had been stirred by rumors that China would give its blessing to financial arrangements for the territory's multibillion dollar airport, which has been the subject of a dispute related to the British-Chinese talks.

"Investors were overwhelmed by the speculation on both political and economic fronts," Mr. Tang said.

(Reuters, Knight-Ridder, AFP)

# Malaysia Wage Bill Rises

## Officials Fear Losing Competitiveness

**KUALA LUMPUR** — Wage increases in Malaysia are outstripping gains in productivity and could jeopardize the competitiveness of the country's exports, analysts and officials said Monday.

"Malaysia has begun to feel the erosion of its wage competitiveness," said Lin See Yan, deputy governor of the central bank, Bank Negara.

Wages in Thailand, Indonesia and emerging economies such as China, Vietnam and Cambodia are lower than Malaysia's, he said at a conference on competitiveness.

Wages in the manufacturing sector rose by 3.3 percent while productivity fell by 2 percent in 1990, Mr. Lin said. "As a result, per-unit labor costs rose by 5.4 percent in 1990," he said.

He said wages had been rising mainly because of the country's strong economic growth, which has averaged more than 8 percent in the last five years, and a shrinking labor market.

"While a rising wage bill isn't a problem," Mr. Lin said, "there is concern when higher wages are not consistently matched by increases in productivity, as was the case in 1992 and the first quarter of 1993."

From 1985 to 1990, productivity grew at an average of 4.96 percent a year, while labor costs per employee grew an average of only 0.47 percent, said Wan Azmi Wan Hanzah, chairman of Land & General Bhd.

"However, it is disheartening to note that during the 1988-1990 period, our labor productivity grew an average 4.57 percent annually while the labor cost per employee grew by 3.77 percent annually," he said.

Mr. Wan Azmi said the growth in costs was expected to come even closer to productivity growth in the figures for 1990-93 in Malaysia, where the unemployment rate is 4.0 percent.

"As an economy with a labor shortage, Malaysia should shift to industries that rely more on skills and technology to sustain its competitiveness," he said.

But Mr. Lin of Bank Negara said the adverse impact of uncompetitive wages would also discourage other countries from setting up offshore-production bases in Malaysia, resulting in a loss of "technology transfer and employment opportunities."

Higher wages would also set off a fresh round of wage-push inflation when producers pass on higher costs to consumers.

Prime Minister Mahathir bin Mohamed told reporters that the economies of certain Western countries were performing poorly because workers' wages were being increased even when their employers were not making profits.

Mr. Mahathir said the government planned to give its workers bonus payments if their productivity rose significantly.

# Philip Morris Signs Agreement to Make Marlboros in China

Compiled by Our Staff From Dispatches

**HONG KONG** — Philip Morris Cos. signed a cooperation agreement in Beijing on Monday to produce and sell its popular Marlboro cigarettes in China.

In announcing the partnership, the New York-based tobacco, food and brewing conglomerate said its Philip Morris Asia Inc. subsidiary and China National Tobacco Corp., the state cigarette monopoly, would also work together to develop and produce other brands of cigarettes for domestic and export sales.

No estimates of the value of the contract were disclosed. China National Tobacco currently makes more than 1.5 trillion cigarettes annually in its 180 factories.

Philip Morris Asia said both sides would "work together in a variety of development and production functions, including leaf-processing, operations and product development."

Marlboro, the world's most popular cigarette, has been available in major Chinese cities for several years, mainly at foreign-exchange outlets and on the black market.

Peter Barnes, president of Philip Morris Asia, said the accord was "the culmination of a series of wide-ranging discussions we've had during the past year" with China National Tobacco.

The agreement involves an unprecedented level of cooperation and sharing of resources, including technology, personnel and production techniques, the company said.

The president of China National Tobacco, Xun Xinghua, said the accord would "further promote and continue the modernization and development of the Chinese cigarette industry" and pave the way for the state concern to "play a larger role in the global industry."

### Investor's Asia

Country	Index	Change
Hong Kong	7489.49	+97.34
Singapore	3148.50	+12.50
Japan	15100.00	-100.00
UK	3000.00	+10.00
Australia	3500.00	-10.00
NZ	1000.00	+5.00
SE Asia	1000.00	+2.00
Philippines	1000.00	+1.00
Indonesia	1000.00	+0.50
Malaysia	1000.00	+0.20
Thailand	1000.00	+0.10
Vietnam	1000.00	+0.05
China	1000.00	+0.02

# China Sets Loan Policy

Compiled by Our Staff From Dispatches

**HONG KONG** — China's top foreign-exchange bank, the Bank of China, will favor loans to foreign-funded public works projects, the official Xinhua News Agency said Monday.

Preference will be given to developing the energy, telecommunications, transport and raw-materials industries, officials said, adding that all banks in China that extend loans to foreign-funded ventures would follow this policy.

Separately, the Economist Intelligence Unit said China's overheating economy was likely to lead to a reversal of policy. "The boom that started in early 1992 has brought with it the familiar problems of inflation and supply bottlenecks that will inevitably prod the government into a clampdown on credit, investment and imports," a review said.

(Knight-Ridder, Reuters)

# Japan to Consider Stimulus

Compiled by Our Staff From Dispatches

**TOKYO** — Finance Minister Hirohisa Fujii said Monday that a meeting would be held Thursday among ministers concerned with the economy to discuss whether the government should launch a fresh package of stimulative measures.

Mr. Fujii said there would be a review of past packages, which have focused on public works.

The Nikon Keizai Shimbun reported Sunday that the ministers at the meeting were expected to make the Economic Planning Agency retract a declaration made in June that the economy had already bottomed out.

Takao Komine, director of the agency's First Domestic Research Division, said he had not heard of such intentions within the government. But he said that the agency may have to retract its statement if summer and fall data show that the Japanese economy has worsened.

The agency said in June that the economy had bottomed out but did not say when that had occurred.

Mr. Fujii also said that the recent rise of the yen was too rapid and that his government was "monitoring the movement with grave concern." He added that "Japan will consult with other nations and deal with the situation appropriately." But he denied the possibility that the Group of Seven industrialized countries would soon hold any emergency meeting to discuss the currency markets.

(Knight-Ridder, AFP, AFX)

# ROUGE: Yue-sai Kan Launches Line of Cosmetics in China Tailored for Needs and Tastes of Asian Women

Continued from Page 9

cosmetics, but the two are not in head-to-head competition in department stores because the company, true to its door-to-door traditions, put China's Avon ladies on bicycles.

But no other foreign-owned company (or Chinese, for that matter) has developed a new line of cosmetics specifically for Asian colors and features, priced the line competitively and accompanied it with a videotape and book giving a home-makeup course to women who only a decade ago were emerging from the national chrysalis of the bohemian.

A Yue-Sai lipstick sells for the equivalent of \$6.50, slightly above Avon and the local Lifen brand, which go for about \$4, but far below the \$35 to \$45 range of Max Factor and Christian Dior. As for the Japanese, Ms. Kan finds them no contest: "They are manufacturing-driven and not market-driven, and they think

that if a product is good in one country it's good in another."

In a furiously Westernizing China, Yue-sai is named Feather of the West. Raised in Hong Kong and schooled in Hawaii, she went into the Chinese import-export business with her sister in New York in 1975 but soon sold her share to become an anchorwoman here for cable TV shows about Asia.

In 1987, China Central Television began a weekly documentary series entitled "One World" to open the world to its 400 million viewers and invited her to anchor the show. Ms. Kan appeared on the show for three years and became an instantly recognizable combination of America's Barbara Walters and France's Christine Ockrent.

When she decided to go into the cosmetics business shortly after her marriage four years ago, her renown immediately opened doors for her in China — "If I

don't know them, they know me." Free makeup courses to wives of leading politicians and the leaders of the powerful Women's Federation didn't hurt, either. The business was registered and the factory sited in Shenzhen in a record 16 working days.

Brides? "I can't afford to bribe anybody," she said — not unless you count all those signed photographs for the idolizing daughters of junior bureaucrats and dinner invitations to their seniors, all of whom have seen her on TV.

Customs administrators helped speed her deliveries, although she has to order her raw materials from the United States at least six months in advance, when the chief customs collector goes on vacation, everybody waits.

When one senior political leader, whom she declines to name, asked her how she was getting along, she recounted her troubles in obtaining a counter at one department store because Yue-Sai was not yet a famous label like Dior or Elizabeth Arden. The next night she found herself invited to dine with the head of the store's conglomerate owner, of whose existence she had never heard. It turned out that the politician had once allocated credit to the businessman and that became the foundation of his fortune. The businessman returned the favor via Ms. Kan and allocated her space in the store.

In another city, the way was cleared by more rough-and-ready means over dinner with the vice mayor. When she mentioned a local store that was blocking her, he replied, "If they give you a hard time, let me know, and I will stop their water and gas." Not surprisingly, that turned out not to be necessary.

The lessons of all this are obvious to those with less guaiyu than Ms. Kan. She advises less well-connected foreigners to get a good Chinese banker, go into a joint venture and above all, "find people who know people."

"To run a successful business in China you must have a lot of ears, a lot of eyes, a lot of noses and a lot of mouths on your behalf," she said. "You have to have terrific people who listen for you, talk for you, see for you, and try to feed information to you."

Keeping up is essential because things change so fast. Two years ago she was told that every investment in Shanghai had to make its way through the municipal bureaucracy, but three months later she was having dinner with her neighborhood leader when she learned that he had authority to approve any investment of less than \$5 million.

"It used to be that everything had to go to Beijing and back," she said. "But every two or three months it seems there is another explosion, another loosening, and I'm right in the middle of it."

# Australia Rejects Plea From United Airlines

**CANBERRA** — Officials on Monday rejected a complaint by United Airlines that government regulations would make its proposed flights to Australia via Tokyo unprofitable.

A spokesman for Transport Minister Bob Collins said the government believed that its regulations were reasonable and was surprised by the American carrier's criticism.

United's general manager for Australia, Anne Keating, who is Prime Minister Paul Keating's sister, said the airline wanted its complaint discussed at talks on air traffic

being held between the two countries next week.

She said United had been trying for six years to get permission for daily flights.

United has said that it wanted to launch a New York-Tokyo-Sydney service but that Australian regulations limiting the number of passengers it could pick up in Japan would make the service unprofitable.

The government spokesman said Canberra had approved United's application for the route on the condition that it meet the capacity regulations.

The case follows a similar dispute between Australia and Northwest Airlines.

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12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close	12 Month	High	Low	Open	Close

BUSINESS TRADE OPPORTUNITIES

Indonesia

State Projects Open to Private Sector

The "Ring of Fire," the term used to describe Indonesia's volcanic origins, could just as easily describe its explosive growth. Today's challenge is to provide an infrastructure that can keep pace with this growth.

Indonesia, whose name is taken from the Greek words "Indos" ("Indian") and "nesos" ("islands"), is an archipelago comprising 13,667 islands stretching 5,120 kilometers (3,174 miles) along the equator. It is the world's fourth most populous country and largest Muslim nation. The nation's geographical fragmentation makes its unified aspirations and economic achievements on behalf of its 185 million people even more noteworthy.

Since 1967, when President Suharto, now in his sixth consecutive five-year term, initiated Indonesia's transformation into a modern state, the country's economic and social development has been guided by a team that governs on the principle of steady, broad-based growth.

For 26 years, Indonesia has experienced an average annual economic growth rate of 7 percent in real terms. Since 1967, when 60 percent of the population was classified as poor, per capita GNP has risen from \$70 to \$570. A food importer in the 1960s, Indonesia achieved self-sufficiency in food production in the 1980s.

Off its shores are rich fields of oil and gas whose export earned 80 percent of Indonesia's revenue in 1982. Petroleum fueled an economic boom in the 1970s, with the earnings farsightedly poured into the creation of new, non-oil industries. When oil prices plummeted in the early 1980s, the economic base was broad enough to enable the country not only to survive but also to thrive.

Indonesia's economy continued to be diversified to the point that in the 1993-94 national budget, only 27.1 percent of revenues will come from oil products.

The 1991-92 ranking of major exports were as follows: oil and oil products, \$6.87 billion; textiles, garments, and handicrafts, \$4.34 billion; liquefied natural gas, \$3.84 billion; timber, \$3.70 billion; rubber, \$3.93 billion. Energy imports were down 6.7 percent from 1991, to \$1.5 billion; non-oil imports rose 6.1 percent, to \$20.8 billion.

Along with its industrialization efforts, the government in the early 1980s began to dismantle its protective barriers, a legacy of colonial occupation and perceived threats to national sovereignty. The past decade has seen the steady removal of many tariff, import license and export regulations, and of non-tariff barriers to trade and to foreign participation in the Indonesian economy.

The result has been an explosion of investment. Domestic investment in 1992 totaled \$14.3 billion, down from a high of \$27 billion in 1990. Overseas investors poured \$34 billion into Indonesia between 1987 and 1992. The recent slowdown in investment is attributed to a tight money policy instituted by the government to counter threatened overheating and to reduce inflation.

Several planned foreign-financed projects, once approved, will eventually produce an additional \$85 billion in non-oil-product revenues annually.

The government's challenge is to keep this momentum going and to achieve an annual growth rate of 6.2 percent, much of it from new foreign investment. The new 41-member cabinet must contend with two key obstacles in order to keep investment capital flowing into Indonesia.

"The main problems are inadequate physical and human infrastructure, and insufficient public and private investment," says Mari Pangestu, head of the Department of Economic Affairs of the Center for Strategic and International Studies, a private think tank. "We also need to improve not just the quantity but also the quality of investments," she adds.

Indonesia's rapid growth has put tremendous pressure on its infrastructure. In response, the government is using its own revenues as well as foreign funding to finance improvements. In July 1992, the World Bank-led Consultative Group on Indonesia allocated \$4.94 billion in soft loans for the purpose. Indonesia is also inviting the private sector to participate, an option investors have welcomed.

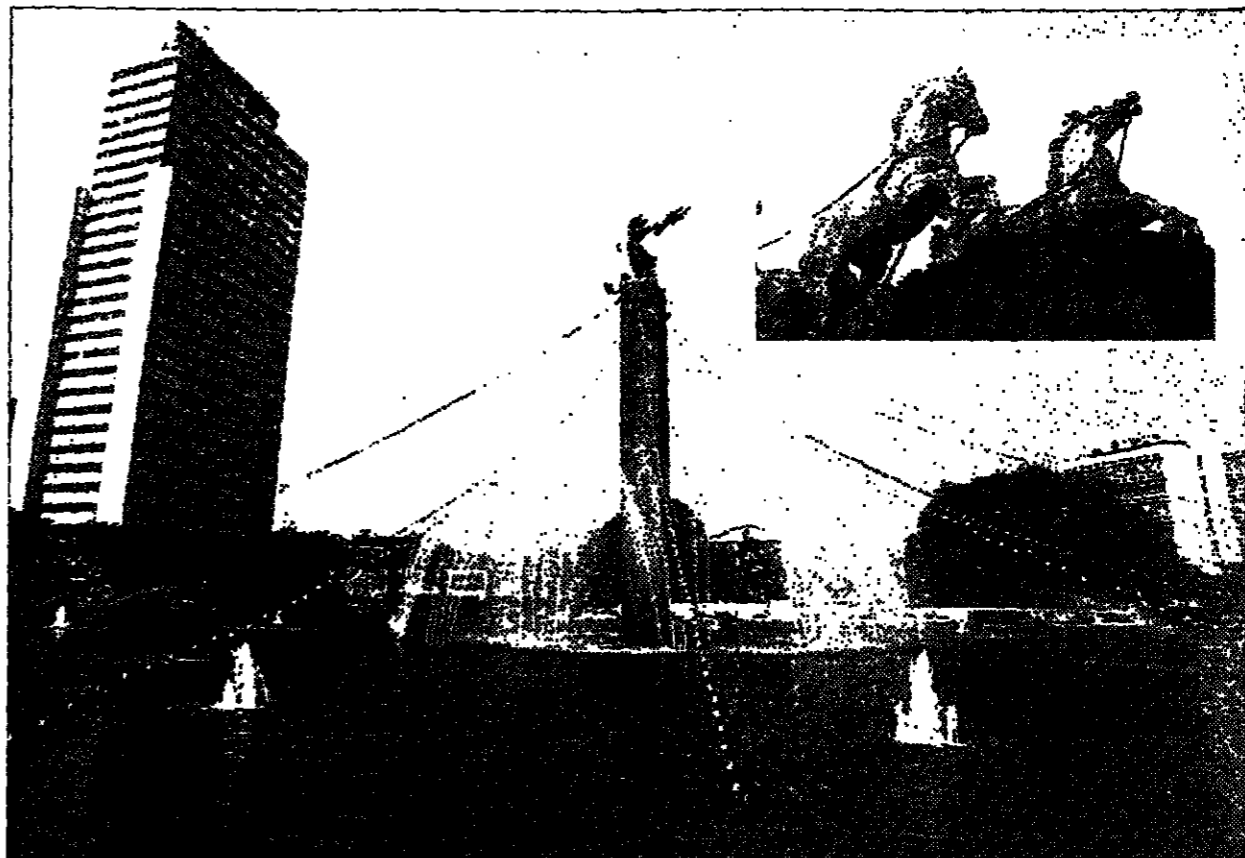
"The government realizes that it does not have the resources to solve all the problems, so we have invited private-sector participation in power generation and road, telephone network and harbor construction," says Santoto Sasrowardoyo, the country's investment minister and chairman of the Board of Investment.

The Ministry of Mines and Energy anticipates that by 2000, Indonesia will need an additional 23,000 MW of power. The government plans to invest \$30 billion by 2000 - with funding from the World Bank and the Asian Development Bank (ADB) - to provide 13,000 MW. Projects to achieve the remaining 10,000 MW would be financed by the private sector, presenting investors with a good business opportunity.

Similarly, the private sector has been invited to build roads and collect tolls. Plans call for the augmentation of the present 390.78 kilometers of toll roads by an additional 821.5 kilometers by 1996. To expand the telecommunications network, the World Bank is providing a \$360 million loan and the ADB a \$300 million loan to add 5 million telephone lines over the next five years, bringing Indonesia's total telephone connections to 6.5 million.

A more pressing problem is securing employment for

Average annual growth of 7 percent over 26 years



Moving into the 21st century: the chariot of the gods (inset) on Thamrin Avenue, Jakarta's main thoroughfare.

PLANNING FOR STABLE, EQUITABLE GROWTH

Page I Overview: Expanded role for private sector Economy: Sharpening the investment profile Page II Contents: A top Asian market Investments: Nuts and bolts Real Estate: The new frontier Page III Textiles: A pattern of independence Financial Sector: Banking on prudence Page IV Ecotourism: Natural beauty Hotels: A room boom in progress

Economy: Adapting Rules to Reality

In the following interview, Saleh Afiff, Indonesia's coordinating minister of economy, finance and development supervision, discusses the country's development plans.

Indonesia's rapid growth over the past decade has been due in large part to a government decision in the early 1980s to move away from dependence on oil exports. How did Indonesia manage the switch to a non-oil based economy?

We began our deregulation process in the early 1980s with the initial reform of our financial sector in 1983 and then the tax reform of 1984. When the world price for oil dropped from \$25 to \$10 per barrel in a 10-month period, we realized we had to continue to restructure the economy. We did this through a series of investment and trade deregulation measures. As a result, Indonesia became an attractive magnet for foreign investment. Investment grew rapidly through 1992, although it has slowed somewhat since then. The downturn came about, of course, from the world recession and greater worldwide competition for investments. To remain an attractive destination for investment, we must reduce bureaucratic red tape. Otherwise, we cannot compete with China and Vietnam.

How do you propose to attract more foreign and domestic investment?

By learning from the business community about the problems it is facing, such as complicated licensing procedures. We rely on businessmen's input to make the appropriate changes in our investment rules. We sup-

port the business community because it is contributing to our development efforts. We are planning to continue deregulation and simplification of licensing and approvals, and we will issue new directives by the end of August. This is the continuation of the long-term reform process that is by no means over. At the moment, for instance, we require that a foreign investor partially divest to his Indonesian partner over a 20-year period, although there are exceptions - in export processing zones,



Saleh Afiff: Goals are "growth, equity, and stability."

for example. Foreign investors are not happy with this arrangement, so we are studying how to change it. Twenty years is too short a time for a long-term project. It is the same with land leases, which are valid for an initial period of 30 years. In China, investors are given 50-year land permits for industrial projects and 70-year leases for housing projects. This makes Indonesia less attractive, so we are working to revise the regulations.

What are the advantages for a foreign investor?

There are many. We have maintained a freely convertible foreign-exchange system for the past 20 years. Our banking system is developed and can provide a wide variety of services to the business community. Our labor costs are low, and our workers are productive. And we are well endowed with natural resources. We are also the sixth-largest market in the developing world. This gives the foreign investor a domestic market to sell to, since foreign investors are not re-

quired to produce solely for export. At the moment, it is not economically viable to produce some products primarily for the domestic market, but as we grow, the domestic market will become more and more attractive.

How will Indonesia's sixth five-year plan (1993-1998), now being developed, differ from those of the past?

In terms of macroeconomic policies, there will be few changes. For the last 25 years, we have tried to maintain a balance among what we see as the

three objectives of development: growth, equity and stability. Because the majority of Indonesians work in agriculture, we have invested heavily in that sector to meet our three development objectives. But the economy is shifting gradually to more manufacturing and to industrial activities, and our policies must take account of this shift.

What are the constraints on continued rapid development?

We are lagging in infrastructural development. We are trying to improve and expand our road network as well as our electricity-generating facilities, and we are even inviting the private sector to participate. To meet some of our electricity needs, we are negotiating for a big coal-fired electricity-generating plant at Patitan in east Java. Since we have substantial coal reserves in Kalimantan, we will have a secure source of fuel. After hydropower, coal-fired generating plants are, for us, the cheapest source of energy.

Patitan will sell electricity to the government. We are studying private participation in telecommunications, but not privatization. There are several projects involving private participation that are already under way. We feel that infrastructure should be not only growth-oriented but equity-oriented as well. We aim to open new areas in Sumatra and Irian Jaya to investment.

TEXMACO GROWTH THROUGH INTEGRATION



Texmaco is one of the largest fully integrated textile manufacturer in Indonesia producing a wide range of chips, fibre, yarn, textile, garments and textile machineries. Backed by a worldwide marketing network, Texmaco ranks as the leading exporter from Indonesia. Apart from winning prestigious export awards, Texmaco products are exported to over 65 countries worldwide. In garment Manufacture we specialise in all kinds of men's and women's wear for internationally renowned brands like Nike, Levi Strauss, Philips van Heusen, Liz Claiborne, etc. With 30 years of growth, Texmaco emerges as a sound company dedicated to further develop the Indonesian textile industry and contribute to improving the economic development of Indonesia.



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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Steve Van Beek, a free-lance writer based in Bangkok.

## Cement: Housing Surge Bodes Well

Indonesia's current building boom should supply the impetus for the country's cement industry through the end of the decade.

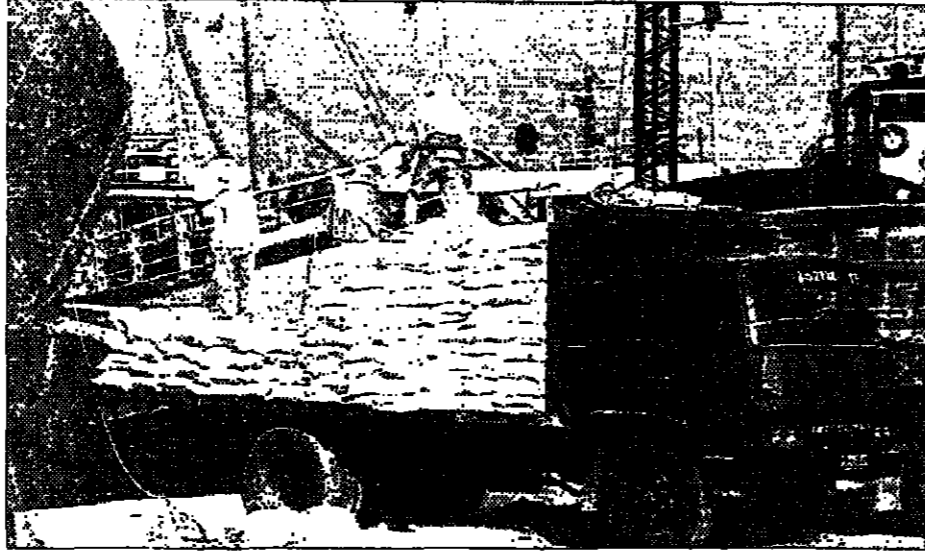
"After growing 12 percent per year previously, domestic demand in 1992 slowed to 2 percent due to the government's tight money policy," says Al Njoo, director of PT Semen Cibinong, Indonesia's second-largest and ASEAN's fourth-largest cement producer. "This year, however, it is growing at 15 percent because of infrastructure projects and residential and commercial development."

There is some question as to whether rising demand can be met. "In 1992, total domestic consumption was 16 million tons, and exports totaled

2.5 million tons," says Mr. Njoo. "We have just expanded capacity to 3 million tons and acquired another company, Semen Nusantara, which adds another 1 million tons. That gives the industry a 20-million-ton annual production capacity."

Expansion of two government cement plants will give Indonesia a total annual production capacity of 25 million tons by 1998. If domestic demand continues to grow, there will be a need for 25 to 26 million tons by the end of the same period.

"Two factors suggest that the future for cement



Cement being loaded at Jakarta's harbor: 2.5 million tons were exported in 1992.

is very bright," says Mr. Njoo. "Per capita consumption of cement in Indonesia is still quite low - 100 kilograms (220.4 pounds) per capita - which compares quite favorably with ASEAN's average of 300 to 400 kilograms per capita. In Korea and Japan, it is 800 kilograms per capita, so demand poten-

tial is good. In addition, Indonesia is considered Asia's most efficient cement producer at \$25 per ton. We have 90 percent of the raw material - limestone - in quantity, and because it is soft, it doesn't need high energy to crush. We also have ample coal supplies, so we don't have to import as other cement-

producing countries must. These combine to keep our costs down," Mr. Njoo adds.

"The only constraint on profitability is that cement prices in Indonesia are government-regulated. At \$55 per ton, they are the lowest in Asia, compared with an ASEAN average of \$60 to \$70 per ton."

## Real Estate: The New Frontier, Downtown and in the Suburbs

The building fever that transformed downtown Jakarta's skyline during the past few years has shifted its focus but not its intensity.

Demands by a newly affluent middle class and by foreign executives for upmarket housing have spawned a new building boom, providing foreign and domestic entrepreneurs with attractive investment opportunities.

Recent commercial development has taken place in Jakarta's former inner-city residential areas, raising land prices in the downtown "Golden Triangle" to \$5,000 to \$8,000 per square meter (\$450 to \$720 per square foot), beyond the reach of all but the very wealthy.

The response has been the increasing suburbanization of Jakarta and a shift in housing patterns and options. One can now choose an older house on the city outskirts, a new house in a suburban estate, a city condominium or an apartment.

The trade-off is between lower suburban prices and higher-cost city-center convenience.

As traffic congestion lengthens commuting time, many are choosing city properties. For foreigners, this means renting apartments; for Indonesians, it means buying condominiums.

"There is an undersupply of apartments," says Okie R. Lukita, president-director of Menteng Park Apartments, near the Golden Triangle. "There are 23,000 expatriates in Jakarta but only 2,000 rental apartments at the moment. There is also a shortage of low-cost and middle-income housing, and Indonesians now have the purchasing power to buy housing [thus contributing to the undersupply]," he adds.

"A year ago, the first expensive condominium

was marketed, and it sold quickly," Joachim U. Rohn, group executive director of Lippoland Development, offers a contrasting view: "There are another 3,000 apartment units coming on the market in the next two years, but it doesn't mean there will be a rush to occupy them. Americans and Indonesians prefer to live in houses. The change

upper end; we are geared to the emerging middle class."

Although Indonesians can buy land overseas, foreigners are barred by law from buying condominiums in Indonesia. The Indonesian Real Estate Association is lobbying the government for a change in this law, arguing that sales to foreigners promote capital inflow. A new law

### Undersupply of apartments reported in Jakarta

in lifestyles cannot be accomplished that fast, but demand will pick up in one or two years.

"A three- or four-bedroom house with pool, telephone and garden costs \$2,500 to \$5,000 per month but can have security problems," counters Charles W. Phillips, general manager of the Park Royale Apartments in Jakarta. "A two-bedroom apartment costs \$3,500 per month, but the high prices will drop as new apartment complexes are built."

Lippoland is responding to the Indonesian preference for houses and the desire to own rather than rent a residence. The company is developing two major housing estates on the outskirts of the city near new highways now under construction. Lippo Village will contain 5,000 houses; Lippo City combines a housing estate with an industrial park.

Their advantage over city dwellings is their cost. "Land in the suburbs currently sells for \$200 per square meter," says Mr. Rohn. "Many developers have concentrated on the

industry experts say, would likely spark another housing boom for company residences and retirement homes. For developers looking for long-term investments with high returns, it means a potential windfall.

"There is lots of room for foreign investment," says Mr. Rohn. "Indonesia needs development capital, and a foreigner can get good returns on his investment. In Lippoland, we sold 1,000 units in three days. Some people here think that is slow progress, but most American developers would be delighted with that level of sales."

The rapidity and scope of city development as well as increasing migration from rural areas suggest a long run for real-estate development.

Jakarta will have around 17 million people in 2005. With a low per capita GNP of \$570, there is enormous potential for growth. Moreover, once the cycle wanes in Jakarta, it will be repeated in other Indonesian cities as they achieve more advanced economic status.

## The Nuts and Bolts of Foreign Investment

Foreign investment in Indonesia is conducted as a joint venture with Indonesian partners. Initially, the foreign investor can hold 80 percent of equity but must divest 51 percent of equity to the Indonesian partner(s) after 20 years.

There are exceptions for which 100 percent initial equity is permitted: ventures located in a bonded zone and exporting 100 percent of their production, and those with paid-up capital of at least \$50 million that are located outside of Java, Sumatra or Bali. Minor divestiture is required after five years. Labor-intensive (at least 50 workers) or service-sector projects are given special dispensations. Foreign and domestic investments are governed by the Negative Investment List, which prohibits or limits investment in 33 areas, summarized as follows:

- Closed to all investment: logging, casinos, certain agricultural chemicals.
- Closed to foreign investment: commercial transportation, retail sales, advertising, TV and radio broadcasting.
- Closed to investment unless fulfilling certain conditions: selected food-processing and forest products enterprises, stamp or bank-note printing, motor vehicles, aircraft.
- Closed unless at least 65 percent is exported: cigarettes, pharmaceuticals.
- Closed unless 100 percent exported: ar-

tificial sweeteners, alcoholic beverages.

Reserved for small-scale industries: most agro-businesses, yarn spinning, weaving, cement and ceramic goods, agricultural tools, many handicraft items.

A June 10, 1993 ruling lowered import duties, improved import procedures and deregulated the automotive sector.

Several permits are required: location, building, Nuisance Act, work permits, land titles and, in some instances, an Environmental Impact Assessment. Provincial approvals are required for projects outside of Jakarta. Land titles are valid for 35 years but may be extended. Building rights are granted for 20 to 30 years.

Duty-free zones exist in Jakarta and on Batam and Bintang Islands. Bonded zones and industrial estates are in Jakarta, Cilegon, Surabaya, Cilacap, Ujung Pandang and Medan.

Tax and import-duty incentives include two years' exemption or reduction of import duties on capital goods and raw materials for selected projects, with longer periods in

some instances. Tax relief is available through accelerated double-declining balance depreciation on capital goods and carry forward of losses and various deductibles. The income tax rate is graduated between 15 and 35 percent. Indonesia has double-taxation treaties with many countries.

Other incentives include free movement of foreign currencies, limited legal protection of intellectual property rights and security of foreign investments guaranteed by Investment Guarantee Agreements with ASEAN and 19 other foreign governments.

Indonesia is a signatory to the International Center on the Settlement of Investment Disputes and is a member of the Multilateral Investment Guarantee Agency on non-commercial investment risks.

Ordinary investment applications are handled by the Investment Coordinating Board; those for bonded zones, by the Bonded Zone Authority. Investment information is available from the BKPM, chambers of commerce, CISI (a private information service) and Price Waterhouse (Indonesia).

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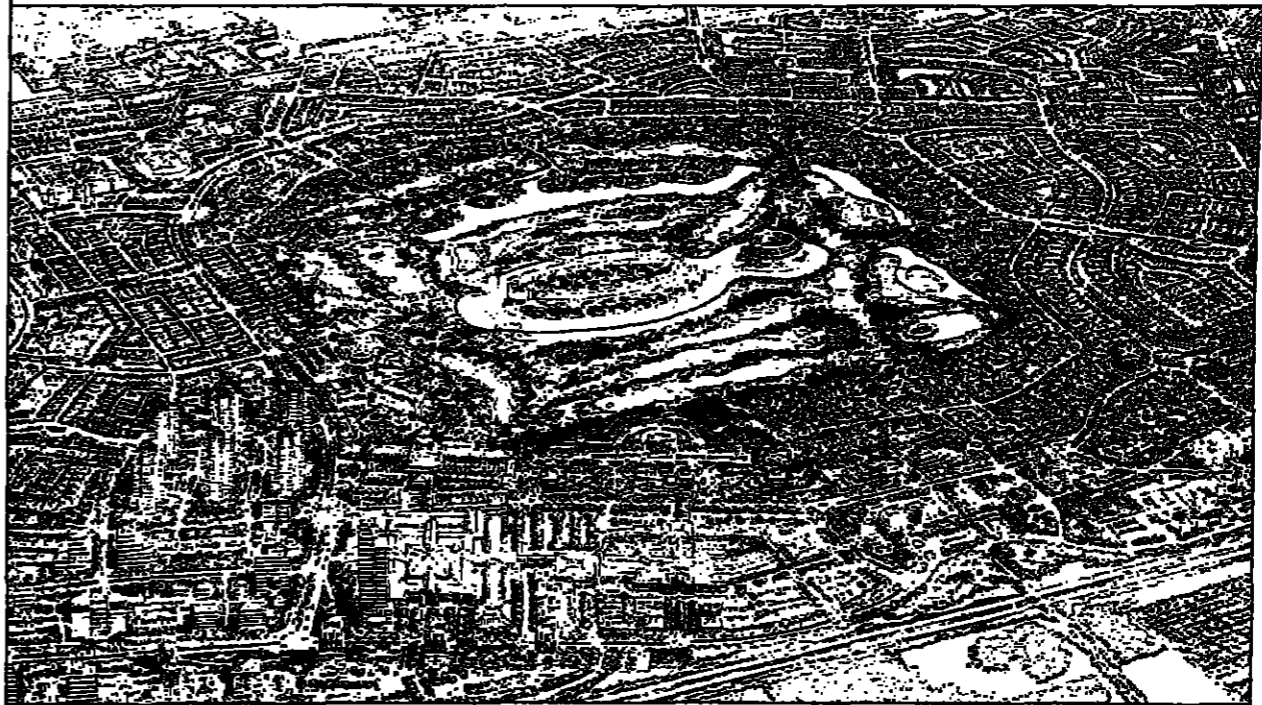


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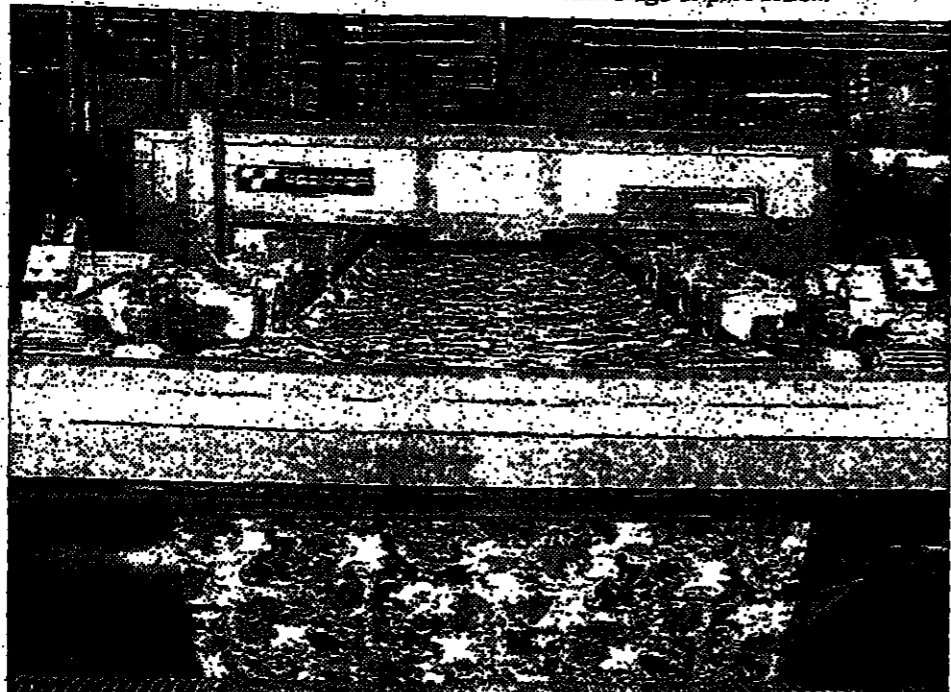
# Textiles: Rise in U.S. Quota Bolsters Industry Outlook

Among Indonesia's success stories is its textile and garment industry. Through technology and automation, the country has transformed a cottage industry into its number-one non-oil industry. The industry now employs more than 2 million Indonesians and can claim 3 percent of the world textile market.

In 1991-92, Indonesian mills produced 5.22 billion meters (17.7 billion feet) of cloth and earned the country \$4.34 billion for textiles, garments and handicrafts combined. Their primary garment markets

were in developing Asian countries, Europe and North America.

The industry has grown incrementally as Indonesian manufacturers have taken over each stage of production.



Indonesia's number-one non-oil industry brought in \$4.34 billion in revenues.

In the 1960s, yarn was imported and woven locally. In the 1970s, the yarn began to be produced locally, using imported polyester chips.

Indonesia's petrochemical base then enabled manufacturers to produce their own chips. From there, it was a minor step to designing and creating garments.

Only natural fibers blended with Indonesian synthetics, accessories and chemical dyes are now imported.

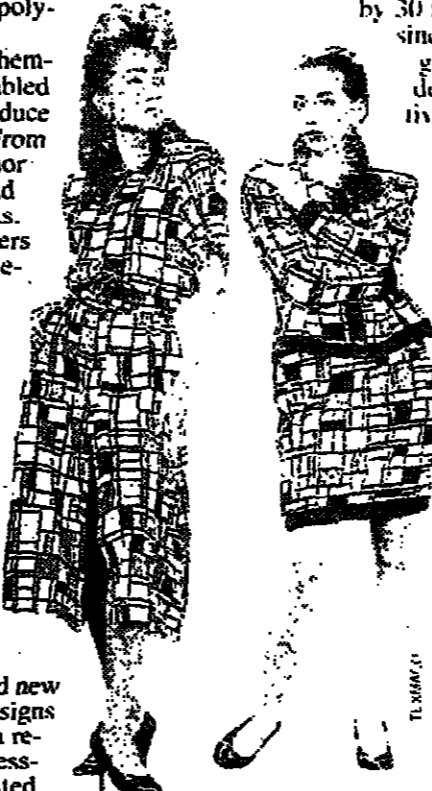
Government departments like the National Agency for Export Development have been active in arranging exhibitions, providing marketing assistance and lobbying for higher quotas from overseas importers.

Industry growth and new investment show no signs of slowing. Indonesia recently lobbied successfully with the United States for a 35 percent increase in its textile quota.

Conservative estimates predicting a 12 percent annual export growth over the medium term seem realistic given the expanded capacity and the increased U.S. quota.

The export target set by the country's sixth five-year plan is \$15 billion in 1998.

"Meeting the target is a piece of cake," says Mhd. Manimaren, director of Texmaco. "We have seen the industry grow by 30 to 40 percent increments since 1987. We have the global markets, and Indonesia is very competitive, so we can grow even larger. There are quotas in the United States and Europe, but if the Uruguay Round succeeds, quotas will be phased out." Recent re-



Annual export rise of 12 percent predicted

ductions in textile quotas following the G-7 summit in July make this more likely.

The only possible clouds on the horizon are a host of new producers in Vietnam, China and other emerging economies, but Mr. Manimaren discounts their threat.

"China is strong in cotton, and Indonesia is strong in man-made fibers, so we occupy different niches. Vietnam will not be strong for a long while. We see profitability continuing well into the next century, with the Indonesian textile industry becoming medium-scale and then high-tech," he says.

# Banking: The Thin Line Between Control and Liberalization

The rapid growth of the Indonesian economy has been due in large part to government foresight in ensuring that liberalization was accompanied by a stronger and more diversified financial sector.

In the 1970s, the government made foreign exchange freely convertible. In the second deregulation drive of 1983, banking and finance were two of the prime targets.

"The goal was to make the banking system more efficient," says Soedrajat Djihadono, governor of Bank Indonesia, the country's central bank. "After 1983, banks were permitted to set their own deposit and lending rates.

The gross assets of the financial sector doubled, growing by an average of 23 percent per year between 1982 and 1987. Several deregulations followed, with the most important occurring in October 1988. After that, the banks flourished, with numbers doubling from 100 to more than 200. Branches doubled from 2,000 to 4,000," he adds.

The exuberance got out of hand, however. One private bank collapsed, and bad loans by others threatened the stability of the system. Late in 1990, Bank Indonesia initiated a tight money policy to cool off an overheated economy and to stem inflation. It also raised paid-up capital requirements from 10 billion Indonesian rupiahs (\$4.87 million) to 50 billion rupiahs.

Since then, the central bank has treaded a thin line between control and liberalization. Deregulation has continued, but the watchword is prudence. "We want to let the market determine the allocation and selection of funds

and business to increase the efficiency of the economy, but deregulation doesn't mean that there are no rules," says Mr. Djihadono.

"The banking, leasing and insurance sectors in Indonesia are regulated by the Department of Finance in cooperation with Bank Indonesia. "The management of the monetary sector is mostly aimed at how we can manage the national economy within the international economy and deal with uncertainties," says Mr. Djihadono. "The most important thing is to create certainty for the business community and increase our international competitiveness," he adds.

The principal funders of government programs are the five state-owned banks, which have traditionally dominated the banking sector. Government restrictions on lending to foreign joint-venture companies unless national shareholding was at least 51 percent led to the 1988 reforms that gave private commercial banks a larger role in financing. While the state-owned banks still dominate banking, the more than 135 private banks play a vital role in mobilizing funds for domestic investors. The 11 international banks that now operate branches in Jakarta engage primarily in corporate banking.

There are also more than 25 development banks for medium- to long-term financing. A number of non-bank financial institutions provide medium- and short-term loans to government and private enterprises. They also offer financial investment and management advice, facilitate local and overseas funding of projects, and underwrite stocks.

Venture capital, security trading, factoring, credit cards and consumer financing are allowed for commercial banks; non-bank financial institutions and finance com-



A tight money policy was initiated in 1990.

panies. Nine investment finance companies offer financing and money-market services.

Foreign investment companies can raise funds by selling shares on the Jakarta or Surabaya stock exchanges or through the OTC market to domestic and foreign investors. There is a widespread belief that the market needs invigorating to create a cheaper source of funds as an alternative to bank interest rates, which, with deposit rates, now stand at 19 to 20 percent.

Bank Indonesia continues to support the development of the banking sector. "We will keep improving the system and expanding the financial instruments and services to serve a maturing economy," says Mr. Djihadono. "As the economy becomes more and more advanced, we need a diversification of financial instruments. Developing these is the direction of the future."

## Five state-owned banks dominate the sector

# State Projects Open to Private Sector

Continued from Page 1

the country's burgeoning work force. Indonesia's movement away from an agriculture-based economy has created a large labor pool that is at once a blessing and a potential liability.

Recognizing that large-

## Not enough jobs for workers

scale unemployment could create social unrest, the government has made employment generation a priority. With 2.3 million youths coming onto the job market each year, the magnitude of the problem is enormous. The economy must expand by at least 6 percent per year to accommodate them.

Even more pressing is the need to upgrade skills. The minimum wage is now 3,000 Indonesian rupiahs (\$1.45) per day, but as emerging nations enter the international marketplace, Indonesia will find itself outbid on low-cost labor.

While most of Indonesia's new entrants are urban high-school graduates, they are inadequately trained to cope with the new technology manufacturers are introducing.

The government is discussing on-the-job training programs, incentives for companies to train employees and an increase in the number of vocational schools. There is also an urgent need for managerial

personnel. Another of the government's priorities is trying to move industry away from Jakarta to other Javanese cities and to the other 13,000 islands. Although Java forms only 7 percent of the Indonesian land mass, it has a population of 110 million, 60 percent of the nation's total population.

Of Indonesia's 21 percent of GDP produced by manufacturing, the figure in the eastern provinces is only 5.6 percent. Of this effort to decentralize, Mr. Sasrowardoyo says, "We have not been very successful so far. We give additional tax holidays and extra incentives for factories located outside of Java, but manufacturers are still not attracted. We are looking for additional incentives."

The shift of industry to the provinces is gradually beginning, however, as better ports and air connections are developed and provincial authorities are speeding up their approvals process.

Bandung, Surabaya and Medan, for example, are already established as manufacturing centers and are growing.

Two particularly promising areas are the two growth triangles set up as joint free-trade zones. The southern triangle comprising Singapore, Malaysia



The next generation: 2.2 million young people enter the labor force each year.

and Indonesia is seeing the rapid development of the Indonesian islands of Batam and Bintang, only 19 kilometers south of Singapore. The northern growth triangle of southern Thailand, northern Sumatra, and northern Malaysia with its base at Penang, is still in the formative stages.

While the role of oil and gas has declined, they are still vital components of the Indonesian economy. With domestic demand rising 9 percent per year and with oil and gas being depleted, it is imperative that Indonesia discover new

sources to avoid having to import oil in the future. Foreign companies have spent an annual average of \$3 billion since 1988 on petroleum development, \$1 billion on exploration. Meanwhile, Indonesia continues to expand its non-oil-sector through investments. "We welcome every type of investment - in both labor-intensive and sophisticated industries," says Mr. Sasrowardoyo. "We feel that the brightest prospects for investors are in agro-business, agro-based business, machinery, electronics, electrical, consultancies of any kind, ho-

tels, holiday resorts, textiles and garments." The Indonesian government has been responding to investors' concerns. It recently cut license approval times from 18 to nine months and is trimming other steps to reduce the approval period to the two weeks required in neighboring Singapore and Malaysia.

On July 22, the Investment Coordinating Board announced that a new deregulation policy to be initiated in August will shorten project approval times at the provincial level.

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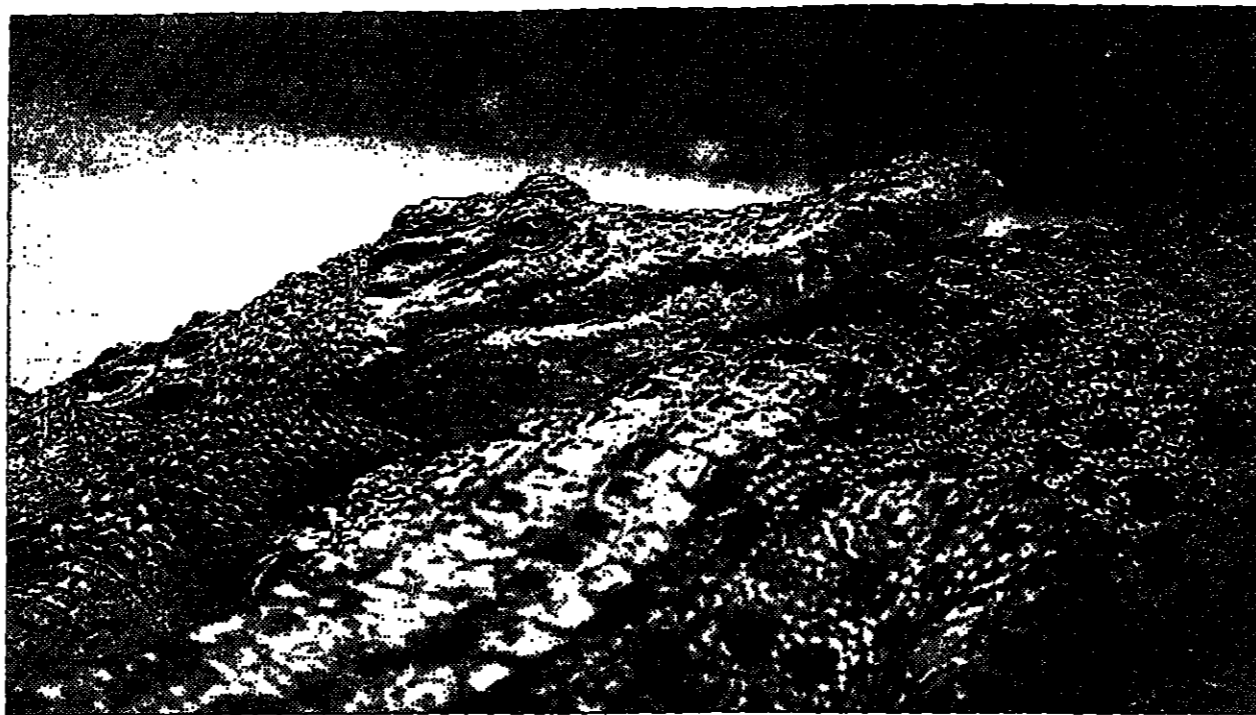
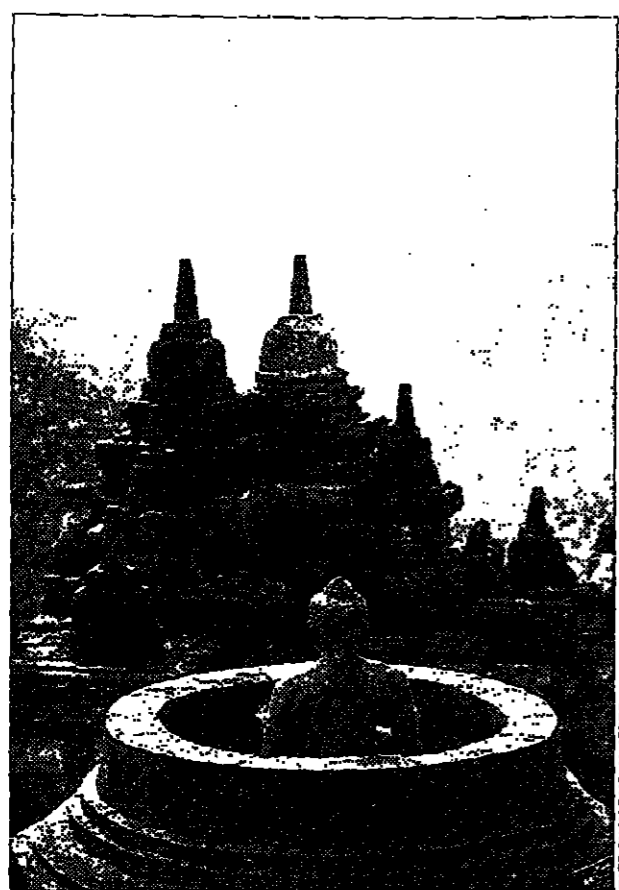
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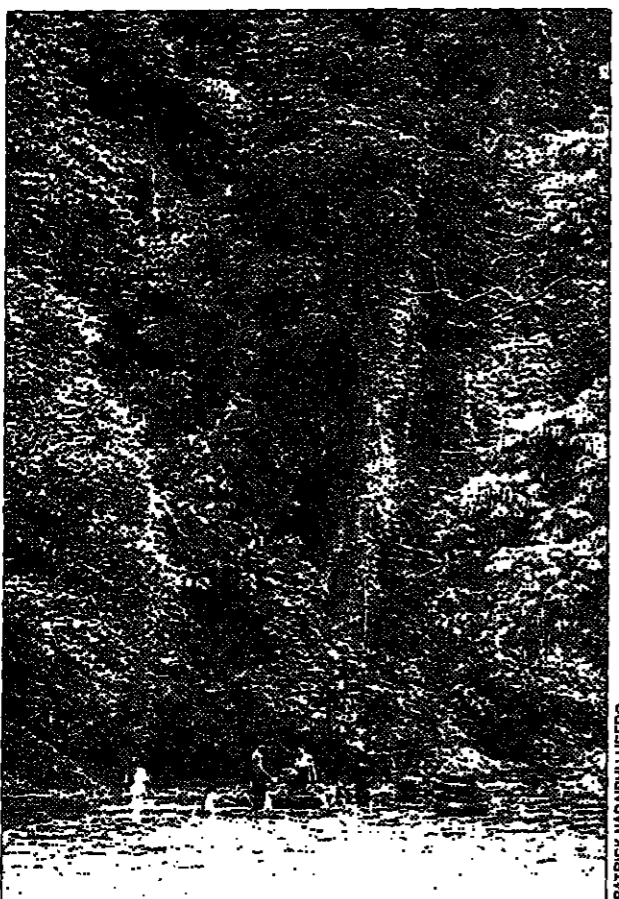
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Among the country's rich variety of attractions are Borobudur, with its imposing statue of Buddha (top left); a crocodile farm on Sumatra (above); and a river in Leuser National Park that is popular for rafting (bottom left).



## Ecotourism: The Natural Way to Travel

Indonesia's natural beauty has long been a prime draw for visitors, but their appreciation has usually been passive, with nature forming the backdrop for the pursuit of other activities.

Now, a new type of traveler is making active exploration of nature the primary reason for a visit. Capitalizing on its wealth of natural beauty, Indonesia has declared "Environment and Heritage Year 1993" to enable visitors to experience its wilderness areas.

"Ecotourism is very new to Indonesia, but it has good potential," says Tjetjep Suparman, acting director of marketing for the Directorate General of Tourism. "We have developed an ecotourism plan that includes marine and forest tourism, hiking, trekking and bicycling. Our many national parks lack overnight facilities as yet, but outside the park boundaries, there are accommodations, guides and restaurants. We also try to get people from the area involved as guides and service providers."

Twelve of Indonesia's 27 provinces now have at least one campground; at the end of 1992, there were 110 countrywide. Foreigners are allowed to camp in national parks; arrangements can be made through travel agencies.

Visitors can take bird walks through the Balinese countryside or bird-watch in Bali Barat National Park on the northwestern corner of the island. They can also hike trails through Kalimantan or Sumatran rain forests.

In addition to hiking and observing wildlife in game reserves, there are more strenuous activities available for the adventurous traveler. Bali and Kalimantan now offer rafting expeditions and boat trips down jungle rivers, and tour operators are studying Sumatra's and other islands' considerable potential for rafting. The uninhabited coastlines of remote islands in eastern Indonesia can be explored in a sea kayak.

The country's thousands of kilometers of shoreline offer spectacular scuba diving and snorkeling opportunities. Flores, the original nutmeg island near Ambon, lo-

cated east of Bali and Banda Nerira, offers coral reefs and undersea areas filled with an astounding array of tropical fish and plant life.

Indonesia is also home to some of the world's more intriguing animals. East of Bali, Komodo dragons reaching three meters and weighing 150 kilograms (330 pounds) rival the dinosaurs of the film "Jurassic Park" in ferocity. In Sumatra, Kalimantan and other small pockets are orangutans, considered to be among the most intelligent members of the primate kingdom. Scattered through the islands are tigers, elephants, rhinoceroses, lorises and other wild beasts.

The more popular sites illustrate the wide range of wildlife found in the country. The 34,000-square-kilometer Dumoga-Bone National Park in Sulawesi is home to the tarsier, the Sulawesi civet cat and a variety of snakes, including pythons 10 meters long.

The Penanjung-Pangandaran reserve, located near Bandung on Java's south coast, has coral, caves and nature walks. Kelimutu Reserve on Flores Island is famed for its three crater lakes, and Bunaken Marine Park has 50 different types of coral.

Located 60 kilometers south of Jakarta are the famed Bogor Botanic Gardens, which were laid out by Sir Thomas Stamford Raffles. About 15,000 native and foreign plant species grow on its 87 hectares of land. The Cibodas Mountain Garden, located 30 kilometers south of Bogor, was founded in 1862 on the slopes of Mt. Gede. Dedicated to the study of mountain flora and fauna, the garden is home to the Javan gibbon and 260 species of birds.

Pulau Dua and Pulau Rambut, off Java's northwest coast, are seabird reserves, and Tanjung Puting in south

## Hotels: A Room Boom in Progress

With rising investment in Indonesia has come a need for new hotels to serve the business traveler.

Thirty-three companies are now building a total of 57 hotels in Jakarta designed primarily for the business-travel sector. "Our market research shows that in 1992, 82.5 percent of Jakarta's arrivals were business travelers, with only 8 percent group tours and 8.5 percent airline crews," says James Papineau, marketing director for the 669-room Shangri-la Hotel, scheduled to open in early 1994.

In December 1992, there were 305 two-to-five-star hotels in Indonesia with a total of 36,891 rooms, but only 25 of the three-to-five-star hotels were in Jakarta.

"The street says that Jakarta is oversupplied with hotel rooms," says Maurice W. Templo, director of rooms for the 368-room city-center Dai-ichi Hotel, opening next December in Jakarta. "But Dai-ichi does not feel that business travelers' needs are being properly met. There have been lots of improvements in technology in city hotels but not in services. We are trying to meet the need by creating a business-class hotel."

Frank A. Liepmann, general manager of the 335-room Citraland Hotel, opening in September, concurs: "The scene has changed. The business-class traveler wants all the creature comforts at attractive prices. Even the profile of the business traveler is changing. We will see more entrepreneurial businessmen and fewer corporate executives."

All three hotels are targeting Southeast Asian nationals and other foreigners, offering them a range of special services like separate check-in, butler service and comprehensive business centers. Dai-ichi and Citraland will cut the usual high fees charged for telephone calls and minibars, a bone of contention among frequent travelers.

Hotels are important social venues in Asia, and efforts are being made to lure local businesspeople with conference centers and other special facilities.

Kalimantan offers boat trips through swamp jungle filled with birds and has a "rehabilitation center" for Borneo orangutans, as well as a guest house for visitors. In Ujung Kulon-Krakatau National Park, visitors will find Javan rhinoceroses, hiking trails, lowland rain forest, a variety of marine life and coral reefs.

The main attractions at Komodo National Park are the famous dragons, of course, but the park also has coral reefs. Mount Leuser National Park in Sumatra is an unrivaled primary rain forest, which has a rehabilitation center for orangutans, 320 species of birds, 176 species of mammals and 194 species of reptiles. It is also home to the rare Sumatran rhinoceros, the clouded leopard and the Sumatran elephant. Kerinci/Seblat National Park in Sumatra has hot springs, Sumatran rhinoceroses, rafflesia, tigers, a variety of bird species and lodging facilities for visitors. At Berbak Wildlife Reserve, the attractions are migratory birds, swamp forests and fresh-water forests.

### Presence With A Past



*Menteng, a name that immediately conjures images of tree-lined streets, art-deco facades, light fixtures reminiscent of the 1920s and colonial houses. Indeed, the Menteng as we know it today is not too different from the Menteng before. Many of the lovely houses still stand, only some have been converted into museums, embassies and ambassador residences.*

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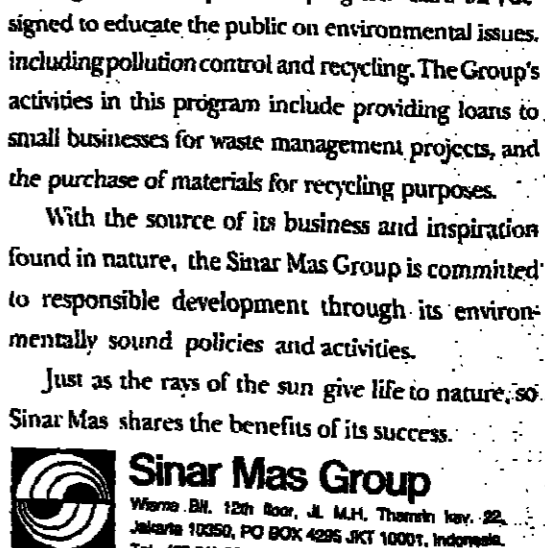
#### QUALITY OF LIFE

Sinar Mas works to enhance the quality of life with its wide range of financial services. Sinar Mas operates one of the most profitable local private banks in Indonesia, Bank Internasional Indonesia (BII), which actively supports programs such as the World Wildlife Fund's endeavor to save the Javanese Rhinoceros. Through its consumer marketing program, BII contributes to this project for every new credit card issued.

Sinar Mas has been selected to participate in the government sponsored program "Care '92", designed to educate the public on environmental issues, including pollution control and recycling. The Group's activities in this program include providing loans to small businesses for waste management projects, and the purchase of materials for recycling purposes.

With the source of its business and inspiration found in nature, the Sinar Mas Group is committed to responsible development through its environmentally sound policies and activities.

Just as the rays of the sun give life to nature, so Sinar Mas shares the benefits of its success.



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NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High Low Stock, Div, Yld PE 100, High, Low, Last, Chg, Ctr. Lists various stock prices and changes.

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Aug. 16, 1993

Large table of International Funds with columns for fund names, share classes, and prices. Includes sections for International Income Fund, International Bond Portfolio, and International Equity Portfolio.

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SPORTS AT A GLANCE

Mellick Balks At Questions, Fine Threatened

VALENCIENNES, France — The judge investigating charges that Olympique Marseille tried to bribe the Valenciennes team's players threatened Monday to fine a former cabinet minister for refusing to testify, after turning down Jacques Mellick's surprise request that he be formally put under investigation on allegations that he had given the Marseille club's owner, Bernard Tapie, a phony alibi.



Sabine Braun of Germany leaped into the women's heptathlon lead after winning the high jump. But after falling behind in the first three events, Jackie Joyner-Kersey had rallied.

"I'm the victim of a campaign of hate and denunciation," Mellick said before meeting Beffy. "This whole affair is a minor news item that has nothing to do with me."

Devers Stuns Ottey in 100 Meters As Chinese Women Sweep 3,000

By Ian Thomsen International Herald Tribune STUTTGART — Standing on the track, her arm around her rival, watching a giant-screen image of them lunging in slow motion across the finish line together, the 33-year-old Merlene Ottey of Jamaica decided she had won her first major individual championship at last.

Indeed she had broken away from Gail Devers, applauding her own dramatic breakthrough, when Ottey heard booming like distant bombs the words she could not believe. Devers, hopping up and down, extending a handshake, had just been named world champion in the 100 meters on Monday night. She is a 26-year-old Californian with an Olympic gold medal from this event already.

champion at a time of 10.81 seconds. To Ottey's 10.82, Ottey doubted that even one one-hundredth of a second separated them.

"I don't see how there was any difference in times," said Ottey while awaiting the outcome of her appeal. "You couldn't tell who was first by looking at the photo. Why did it take so long to announce the winner if there was a difference in time?"

and Kenya. A trio of Chinese women occupied the space behind leader Yvonne Murray of Britain early in the 3,000 meters, making it impossible for the favored Sonia O'Sullivan of Ireland to join the pack.

In the penultimate lap they merely set the pace. Murray, one white and red uniform after the other, in descending order of height. The assault so destroyed Murray that she finished ninth, while O'Sullivan was a distant fourth in 8:33.38, far behind the championship record of 8:28.71 set by Yunxia Qu.

pullively, ultimately five seconds ahead, while his teammates fell back like discarded wrapping.

They were like Akpan, a woman's 100-meter hurdler who won the gold medal at the World University Games in a 110-meter hurdle and shot-pur Vivian Chukwura-meka.

SCOREBOARD

BASEBALL

Table with columns for Major League Standings (American League, National League) and Sunday's Line Scores. Includes teams like New York Yankees, Boston Red Sox, Philadelphia Phillies, etc.

ATHLETICS

Table for 4TH IAAF WORLD CHAMPIONSHIPS. Lists events like 100m, 200m, 400m, 800m, 1500m, 5000m, 10000m, 20000m, 3000m, 5000m, 10000m, 15000m, 20000m, 30000m, 40000m, 50000m, 60000m, 70000m, 80000m, 90000m, 100000m.

GOLF

Table for PGA Championship. Lists players like Tiger Woods, Fred Couples, Tom Lehman, etc.

SOCCER

Table for World Cup Qualifiers. Lists teams like South America, Africa, Europe, etc.

INTERNATIONAL CLASSIFIED

Advertisements for various international services including escorts, guides, and travel agencies.

INTERNATIONAL CLASSIFIED

A large section of classified advertisements for real estate, business services, and employment opportunities.

A large section of classified advertisements for real estate, business services, and employment opportunities.

ART BUCHWALD

Waiting for the Doctor

WASHINGTON — The U.S. health situation has been studied and assessed. Every part of it has been analyzed under a microscope. But the one area being ignored under Hillary Clinton's plan is how long you will have to wait to see a doctor.



"The government has to assume that every doctor in the plan is a good doctor and therefore worth waiting for. It also feels that any doctor who won't sign up for the national health plan is a bad doctor and not worth waiting for. He should be avoided like the plague."

Novelist Spark: Cross Her at Your Peril

By David Streitfeld

NEW YORK — Just because she's a legend in literary circles, Muriel Spark says, that doesn't mean she's got to keep her mouth shut when people betray her. So she gives as good as she gets.

become Republican or... They haven't absorbed the people who've come in. They're racist. One's best friends come out with the most racist remarks. They don't know they're doing it."



A novelist on the watch? "All the time," she says. "Looking and listening."

"It's a question of good manners," she says. "I don't think you should inflict too much." Unlike many writers with equally long shelves to their credit, her work is fairly consistent. Like one and you'll like another.

PEOPLE

16 Years After Elvis 'Left,' Fans Still Come

The King "left the building" 16 years ago, but adoring fans keep showing up on the anniversary of Elvis Presley's death at Graceland.

Princess Diana wants an early divorce from Prince Charles, the Mail on Sunday said in a front-page report by Nigel Dempster.

A court order in hand, Woody Allen visited his five-year-old son Sashel in Ireland where the boy's mother Mia Farrow is making a movie, but did not see the 7-year-old adopted daughter, Dylan, that Farrow has accused him in court of molesting.

Clint Eastwood, Michael Jordan, Tim Allen and Garth Brooks are America's favorites, according to that American institution: the poll.

Since Ireland granted Jean Kennedy Smith, 65, the American ambassador, the right to a private quarantine center at her Dublin residence so that her pet dogs would not have to spend the required six months locked up by the government, three foreigners have asked the government for the same privilege.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 8

German TV War Heats Up

BONN — A new commercial television station that hopes to lure German teenagers away from American and British music videos will be launched this week as competition heats up for viewers and advertisers.

soul and hip-hop music will be sung in German. The idea for Viva came from a consortium of music video producers in Hamburg.

WEATHER

Weather forecast tables for Europe, Asia, Africa, North America, Latin America, and Oceania, including high/low temperatures and precipitation chances.

CROSSWORD

Crossword puzzle grid with clues for Across and Down words.

AT&T Access Numbers table listing international phone numbers for various countries.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling from for quick, clear connections back to the U.S. and lots of other countries. International calling made simple is all part of The i Plan from AT&T.

